

ADDENDUM B
TO
COMMENT RESPONSE DOCUMENT
September 20, 2012



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Memo:

June 25, 2012

To: Gwen Thompson, Director
Division of Health Licensing, DHEC

Fr: Dave Teeple, Owner/Director

Re: Proposed Regulation In-Home Care Providers / Licensure of In-Home Care Provider Act

DHEC has been required to develop regulations for licensure requirements. Input has been requested. As an attachment, I have included a letter from DHEC from Randy O. Clark, Director, Health Facility Oversight Program, Division of Health Licensing, DHEC, dated July 30, 2008. The letter stated for my operation of a *non-medical referral service* the department does not require a license as a home health agency. I understand that the Governor signed into law in May, 2011 a law to license In-Home Care Providers, which includes referral services.

While I'm sure there has been, and will continue to be much discussion from In-Home Care Providers regarding the implementation of the law, my input as a *non-medical referral service* is that we did not come under this law in 2008 and should not have come under it in 2011. Under the new law everyone is apparently being called an "In-Home Care Provider."

There are inherent distinctions between In-Home Care Providers and a *non-medical referral service*. Please review the following distinctions:

- 1) Non-medical referral services have no employees.
- 2) If you are a "client" and call a In-Home Care Provider and request a caregiver for your relative, you are calling / hiring a company. The company you have just employed takes

control at this point. They have employees and they will chose the employee to send to you, and you will pay the company (acts like a temporary help service) and the company then pays their employee. If you contact a “referral service,” the referral service refers to you a caregiver(s), who is an independent contractor. If you like the referral, you can then hire the caregiver. You will pay your caregiver as your employee, as well as pay the referral service a referral fee.

- 3) The client (senior citizen) employs the caregiver, establishes job duties, hours, etc. from a referral service if they so chose not to utilize a InHome Care Provider.

For the owner of a *non-medical referral service*, this new law, which lumped him in with the professional services of an In-Home Care Provider, will put him out of business or change his business to where he can no longer function at the same level. The intent of this law is to make sure In-Home Care Providers do the right thing. They should. *Referral services* are non-medical and they should remain that way and if there is a *non-medical referral service* performing medical services through their caregivers they should be licensed and a distinction should be made between non-medical and medical referral services.

The *non-medical referral service* needs to be an ethical business, have principles, and develop their operating procedures to provide non-medical services to their clients. As with every private sector business, if you do a good job you prosper. If you do a bad job you don’t. The government needs to let private business alone, unless its operation or the nature of its business could hurt the citizens of the State. There is no reason for the State to step in and require the non-medical business to conform to the same requirements of a business that provides professional, medical services. The state is attempting to help the public from having / preventing bad service providers or bad business practices from companies who provide professional, medical services to the public. That’s great! It’s probably necessary. The *non-medical referral service* doesn’t provide any professional, medical services. It doesn’t need to be regulated. At the very most, if *non-medical referral services* must be “licensed” because the new law requires it, a distinction needs to be made between non-medical referral services and In-Home Care Providers and in that distinction there needs to be much different criteria, etc. You could simply “register” a referral service to identify them.

Our *non-medical referral service* calls our referrals “Caregivers” but they could be called Companions, Sitters, etc. They do household chores, they sit and talk to their senior client. They go shopping, do laundry, and make beds. It’s not complicated. It doesn’t take a degree to do this job. It doesn’t require any specialized schooling, training. We simply do what the family member could / would do if they had the time. It doesn’t take the State stepping in to regulate it. You

certainly can't call this type of work medical, professional. A *non-medical referral service* is just that, non-medical!

For the consumer (senior citizen) we strongly believe there needs to remain a distinction between an In-Home Care Provider and *non-medical referral service*. One major distinction between the two types of businesses is the cost. A typical hourly rate for the In-Home Care Provider varies from \$17.00 to \$25.00 per hour. Our *non-medical referral service* typically charges \$11.50 per hour. A typical live-in (24 hr) rate for the In-Home Care Provider varies from \$250.00 to \$500.00 per day. Our *non-medical referral service* charges \$125.00.

Cost should not be the only factor in deciding what service to use, but our hourly costs typically run between 45% and 215% less per hour than the In-Home Care Provider. Our live-in (24) rate typically runs between 200% and 400% less per day than the In-Home Care Provider.

Arguments could be made that the *non-medical referral service* is not needed. That a senior citizen could just as easily go out and find their own caregiver on the internet, or through the newspaper. Why use a *referral service*? It must be obvious if the referral service is charging so much less it can't be any good! The seniors that contact us and decide to use our services understand obviously that our rates are much less. They also see a distinction between a *referral service* and an In-Home Care Provider and must decide which way they want to go. As a *referral service* we explain that the advantage of going through a *referral service* versus going on their own is that we "act as the middle man" the buffer between client and caregiver that our job is to refer them caregivers based on what the client needs to include personality, demeanor, etc. We further explain that should their caregiver not be able to go to work, for any reason, we are available 24/7 to find a replacement so they will never be without proper care. Should the need arise to replace their caregiver, we provide the search and referral with no break in caregiving service.

This new law, DHEC, should not interfere with allowing the senior citizen to have options when making a decision regarding home care. If professional services are required by an LPN, RN, Social Services, Hospice, Physical /Therapeutic Services, etc., there is only one option open, the In-Home Care Provider licensed by the state. If non-medical services are needed, the senior citizen could go the route of the In-Home Care Provider or the less costly *referral service*.

There is a side-effect to eliminating the *non-medical referral service* from operating in South Carolina that might have been overlooked. The *referral service* utilizes Independent Contractors as their referrals to their clients. Over the eleven years I have operated my *referral service* in South Carolina there have been scores of Independent Contractors that have gone out on their own and became truly self-employed. While this is not a benefit or a part of the business we

openly discuss, the fact remains it does happen. My business has helped others become self-employed!

Think about what kind of **business** you are trying to control, regulate. We are a “referral service”. All we do is refer an individual caregiver to a senior citizen for them to possibly hire as their caregiver. You are not licensing individuals that provide caregiving, yet you want to regulate a service that just refers those same individuals to a person needing help. How is that fair? You are trying to make our business (non-medical referral service) something it isn’t by requiring us to do all the things you want an In-Home Care Provider to do. We are different!

I started this business eleven years ago with my wife. As a family owned and operated business we decided to do the job the best we could. I owned an employment agency and a temporary help service in Pennsylvania for twenty years. I know how they operate. The In-Home Care Providers operate like a medical temporary help service. I understand it. I didn’t set up my business that way because I didn’t want to pass the expense of operating a temporary help service to the very people who desperately need help but have limited funds to pay for it. The idea, concept of a referral service, while it isn’t perfect, provides an opportunity, a solution for many elderly and/or their families who pay for our services. In their words, we are a lifesaver, a Godsend. Almost every In-Home Care Provider turns down the 1, 2, or 3 hour case. We don’t. We accept a one hour case once a week. We accept two hour cases, three times a week. We don’t make much money, but we provide a very important service for that individual. We take on driving cases where we simply take the client to an appointment because they can’t rely on taxicab services. If you require us to come under all the rules of this law and the expenses that come with it, we will no longer be able to accept those requests. It may not sound like much to you, but for the seniors that use us it is major!

I’m not sure if you understand what we do. The two components of our business are to find clients (seniors needing help) and find caregivers (individuals who can provide a non-medical service in a client’s house). We constantly recruit. We interview, perhaps 20% of those who contact us. Of those we interview, perhaps 40% of them are referred to our clients for a possible hire by the client. You are placing a great deal of expense on having a caregiver in our “registry”. Do you realize that we do not employ the caregiver? We do not just send a caregiver out to a client and say this is your caregiver. It is not uncommon for one of our caregivers to go out and be employed with one of our clients for two hours, four hours, eight hours, one week, and then not work again. Under your new law, that you want to include us in, we would need to spend a great deal of money to have this individual caregiver “legal by your standards” even if they only work a few hours, or perhaps never work. We don’t control the “actual hire” like the In-Home Care Provider, the client does. Big difference! We can have as many as one hundred clients we are providing services to. Many of these clients are very part-time. To provide this service our “registry” must sign up many caregivers ready to go to our clients, fill-in as needed for various

reasons, and now you are telling us we need to spend all this money and go through all this “red tape” for all individuals registered with us whether they ever become employed or not.

Previously I pointed out the dramatic difference in the price for our referral service as compared to an In-Home Care Provider. If you change the core of my business and force me to become something I’m not, quite simply, you will be requiring me to increase my costs and pass those costs to the clients I serve. Do you know how many seniors we receive calls for and can’t help because they can’t afford the \$11.50 per hour we charge? What’s going to happen when I increase my rate to \$17.00 per hour? If I didn’t know better I would think the lobbyist and owners of the major franchises in this business that operate In-Home Care Provider services were the ones instrumental in adding referral services to the new law to try and drive our type of service out of business!

By the nature of our business (referral service) we had to give up lucrative aspects of the industry. As we have no employees we cannot do Medicare. We cannot do VA cases. We cannot do many private insurance cases. Why? We have no employees. Our caregivers are self-employed, independent contractors. We accept this because we fit into a niche and we think it’s a good thing. We offer the public a valuable service at a fraction of the cost of the In-Home Care Provider. The public should have the right to choose between what our referral service provides and all the “bells and whistles” offered by the In-Home Care Providers.

If we didn’t do a good job, didn’t provide a good service we wouldn’t be here eleven years later. We wouldn’t have grown into the largest non-medical service in Horry County. We wouldn’t be getting referrals from hospices, hospitals, doctor’s offices, etc. It’s not like we just take someone off the street and send them to an old person. We screen our potential caregivers. We run a SLED. We verify if they have any specific training, certificates. We check references. We identify what skills they have to perform as a non-medical caregiver. Simply stated, we know how to run our business and we do a damn good job at it. While some seniors reject the idea, concept of not wanting to deal with a service that does not have employees, they have the option and in many cases, they go to the In-Home Care Provider. Other seniors have no issue with the referral concept and utilize our services for the price and for the personalized services we offer.

The population is getting older. More and more seniors will require in-home services. A vast majority of them may only require non-medical services, possibly for just a few hours, a few days here and there. For many they need the option of going to a referral service that they can afford. Remove us from the factor and what many are left with is Craigslist, newspaper ads, etc. Besides being scary, it’s not reliable, offers no back-up if the caregiver gets sick, etc and frankly isn’t something I’d want my mother to do.

I would be willing to make myself available to participate in an “Advisory Council” to further discuss the implementation of regulations of the law. When I was in Pennsylvania, many government departments had private citizens on an “Advisory Committee” that would meet monthly or quarterly for their input. It might be something you’d want to consider. When the Governor signed the Act on May 11, 2011, I had no knowledge of it and have no idea if anyone from the industry provided input.

Thank you for your time in reading my lengthy comments. You asked for the input!! As you can tell I am very passionate about what I do. I strongly believe I offer a great service and I don’t need my business eliminated. If you don’t understand what I mean by “eliminated” then I didn’t do a good job of explaining it to you and I apologize.

Sincerely,

David Teeple, Owner / Director